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Central Intelligence Agency



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## DIRECTORATE OF INTELLIGENCE

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### Middle East Terrorism: The Threat and Possible US Responses

#### Summary

Iranian-sponsored terrorism is the greatest threat to US personnel and facilities in the Middle East. Islamic radicals in Iran view Washington's presence and influence in The Middle East as major impediments to successful export of their revolution and regard terrorism as a legitimate and effective method of attacking the US. Iranian-sponsored terrorism will continue and possibly increase so long as the clerics in Tehran do not perceive any significant costs in launching such operations. [REDACTED]

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Syria, Libya, and Palestinian radicals also are major Middle East sponsors of terrorism. Libya regards US involvement in the region as the primary obstacle to promoting Arab military action against Israel, but is reluctant to target the US directly because it fears US retaliation. Unlike the Iranians and Libyans, Syria and the Palestinian radicals do not focus on the US as their major target, and most of their attacks are directed against their exiled political opponents, moderate Arab states, or other Palestinian groups. Syria and Libya, like Iran, use terrorism as an instrument of state policy and provide extensive support for terrorists. [REDACTED]

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This paper was prepared by the Persian Gulf Division, Office of Near Eastern and South Asian Analysis, with contributions from analysts in NESA, Office of Global Issues, and Office of Soviet Analysis. It has been coordinated with the National Intelligence Officers for Counterterrorism, Near East-South Asia, and the USSR. Comments and queries are welcome and may be directed to the Chief, Persian Gulf Division, NESA [REDACTED]

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[REDACTED]

Iran, Syria, and Libya are all vulnerable to US military retaliation. US strikes on terrorist camps in Lebanon's Bekaa Valley would send a strong message to all three countries, but probably also would result in additional terrorist strikes against US personnel or facilities, particularly in Lebanon. A single US strike against targets in Iran or Libya also would lead to increased terrorist attacks against US personnel and facilities in the Middle East, Europe, and possibly the US. [REDACTED]

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Limited US strikes are unlikely to cause any of the three countries or radical Palestinian groups to modify their behavior. In fact, limited strikes against Iran could strengthen Islamic radicals in the Khomeini regime. Sustained US military and economic pressure in response to Iranian terrorism, however, may over the long term strengthen Iranian moderates who believe violent export of the revolution does not serve Iran's interests. Alternatively, sustained US pressure might--at least temporarily--drive the Iranians closer to the USSR in search of protection. [REDACTED]

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Additional terrorist attacks without a commensurate US response probably would strengthen a growing perception in the Arab world that the US is a paper tiger. Still, moderate Arabs would condemn a US strike against Palestinian elements or Syria, particularly if it killed Arab civilians, and it might prompt the Saudis and other Gulf states to take demonstrable actions against US interests. The USSR would seek to take advantage of the propaganda windfall to stir up Arab resentment against the US. Moscow also would offer new advanced weapons to Libya and Syria and probably would try to wring political concessions from Iran in return for some arms. [REDACTED]

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#### Motivations and Methods

Iran, Libya, Syria, and Palestinian groups were responsible for a quarter of the approximately 650 international terrorist incidents worldwide last year. Iranian-backed groups and Palestinians are by far the most active and were involved in over 120 incidents. [REDACTED]

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Iran. Radicals in the Khomeini regime are committed to spreading their Islamic ideology, and many clerics view terrorism as a legitimate, effective tool of state policy, particularly against the US position in the Middle East. Iranian-backed attacks increased by about 30 percent in 1984, and the numbers killed in Iranian-sponsored attacks outpace fatalities in strikes by all other terrorist sponsors. Senior Iranian leaders such as Ayatollah Montazeri, Khomeini's heir-apparent, Prime Minister Musavi, and Consultative Assembly speaker Rafsanjani are implicated in Iranian terrorism. [REDACTED]

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Iran generally employs radical Lebanese or Iraqi Shia groups in its terrorist operations. These groups include:

- The Islamic Front for the Liberation of Bahrain that was responsible for an unsuccessful coup attempt in Bahrain in 1981.
- The Islamic Call (Dawa) Party, with branches in Iraq, Bahrain, and Kuwait, that has bombed the US Embassy and other targets in Kuwait and is responsible for bombings and assassinations in Iraq.
- Hizballah and Husayn Musawi's Islamic Amal that operate in Lebanon and were behind the attacks on the US Embassy and the US Marine barracks as well as the more recent kidnappings of several US citizens.

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Tehran also can call on individual sympathizers worldwide, including some in the US, to mount terrorist attacks. Iran provides its surrogates with money, equipment, training, and intelligence. Moreover, its diplomats in the Middle East and Europe are involved in supporting terrorism.

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The most prominent trademark of Iranian-sponsored terrorism is the willingness of some perpetrators to die in the attempt. Iranian-sponsored Shia terrorists have carried out several car and truck bombings in Lebanon, Iraq, and Kuwait. In nearly every instance, the driver was killed.

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Libya and Syria have long used terrorism as an instrument of state policy. Both have used their operatives as well as surrogates to carry out operations. Syria was seriously embarrassed in 1981 when Syrian military personnel sent to Jordan to assassinate the Prime Minister were captured and their confessions televised. In 1982, the activities of Syrian intelligence agents in France brought Damascus into sharp conflict with Paris. Libya has been more cautious, and its use of hired assassins has increased although Libyan intelligence supervises most operations.

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The Syrians provide weapons, travel documents, and intelligence support for operations by their surrogate groups and permit missions by Iranian-sponsored radicals in Lebanon. Palestinian radicals, including the Abu Nidal Group, the PFLP-GC, the Fatah rebels, and Saiqa, together with Jordanian dissidents, Shia radicals associated with the Iranians, and the Armenian terrorist organization ASALA, have received Syrian assistance or training at camps in Syria and Lebanon.

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Tripoli provides funds and training to radicals worldwide, but generally avoids using Libyans to carry out operations against targets other than Libyan dissidents and selected pro-US heads of state. Qadhafi hires assassins and thugs when Libyan access to its targets is limited or when he wants to conceal Libyan involvement. The most recent was the arrest of Maltese hit men in Egypt for the attempted murder of a former Libyan Prime Minister. Qadhafi also encourages terrorism by the PLO rebels and other Palestinian groups aligned with Syria. The recent mining of the Red Sea and the bombing of Omdurman, Sudan, by a Libyan TU-22 bomber, however, indicate Qadhafi is willing to use conventional military forces for subversive operations.

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The Palestinian Abu Nidal group--which is not a member of the PLO--remains the primary Palestinian organization responsible for terrorism. The

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[redacted]

group once was supported by Iraq, which appears to have abandoned international terrorism over a year ago. Abu Nidal now depends on Syria and may undertake operations at Syrian direction. Several other radical Palestinian groups aligned with Syria also are involved in terrorist operations in Lebanon, Israel, and the West Bank. Reports from a variety of sources over the past year indicate that the PFLP-GC, the Popular Struggle Front, and Saiqa have established ties with radical Lebanese Shia and may be providing them with assistance in terrorist operations. [redacted]

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The eight groups within the PLO have abided by that organization's ban on international terrorism outside Israel and the West Bank since 1974. Yasir Arafat's mainstream Fatah organization is the principal enforcer of the ban and supports diplomatic means to solve the Palestinian problem. Some PLO groups, however, are providing assistance to Lebanese Shia terrorists, and Arafat is under pressure to respond to Syrian-sponsored Palestinian strikes against Fatah officials. The most striking feature of recent Palestinian terrorism has been the attacks of pro-and anti-Arafat groups on each other.

[redacted]

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#### Hitting US Targets

We do not believe the Syrians or the Palestinians would deliberately attack US targets unless US actions in Lebanon or on the Arab-Israeli issue were perceived as posing a direct, immediate threat to them. The Syrians, however, have not moved forcefully to prevent Iranian-sponsored terrorism against US targets in Lebanon. Syria condons Iranian transits through Damascus Airport and use of Syrian-controlled territory in Lebanon's Bekaa Valley for terrorist-training activities. [redacted]

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During the past 18 months, Libya has tried to sponsor two terrorist operations against US personnel or facilities in Latin America and Africa. Libya also has publicly praised the killing of US personnel by pro-Iranian terrorists in Lebanon. Tripoli may have provided money to the terrorists responsible for murdering the US Naval attache in Athens in late 1983, and to a Portuguese group suspected of an attempted attack on the US Embassy in Lisbon last fall. Qadhafi threatened last June that he would "export terrorism" to the US to retaliate for the "US-inspired" attack on his headquarters by dissidents last May. Libyan capabilities will be constrained by Tripoli's generally inept foreign intelligence network, its lack of an official presence in target countries, and fear of US retaliation. [redacted]

[redacted]

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Iran has amply demonstrated its willingness to hit US personnel and facilities. It is the most likely state to try to strike additional high-profile US targets in the Middle East to demonstrate the inability of the US to protect its interests, and to portray such attacks as actions by local "Islamic patriots." Potential Iranian or Libyan targets include:

- US Embassies and associated facilities, notably in the Persian Gulf states and in Beirut, Baghdad, Cairo, Khartoum, Athens, and possibly Tunis. The Iranians and their radical Shia allies in particular might want to strike the Embassy in Beirut, to demonstrate US impotence, or Baghdad, to harm US-Iraqi relations.

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- US military facilities in the Persian Gulf area. Examples include facilities in Bahrain or Oman supporting US warships and the US Military Training Mission in Saudi Arabia.
- Qadhafi might target US military facilities in Europe, such as the NATO cruise missile base at Comiso in Sicily or the Hellinikon airbase in Greece, to exploit local opposition to the US military presence.
- Iran and possibly Libya are likely to try to strike inside the US if they have been, or believe themselves about to be, attacked directly by the US.

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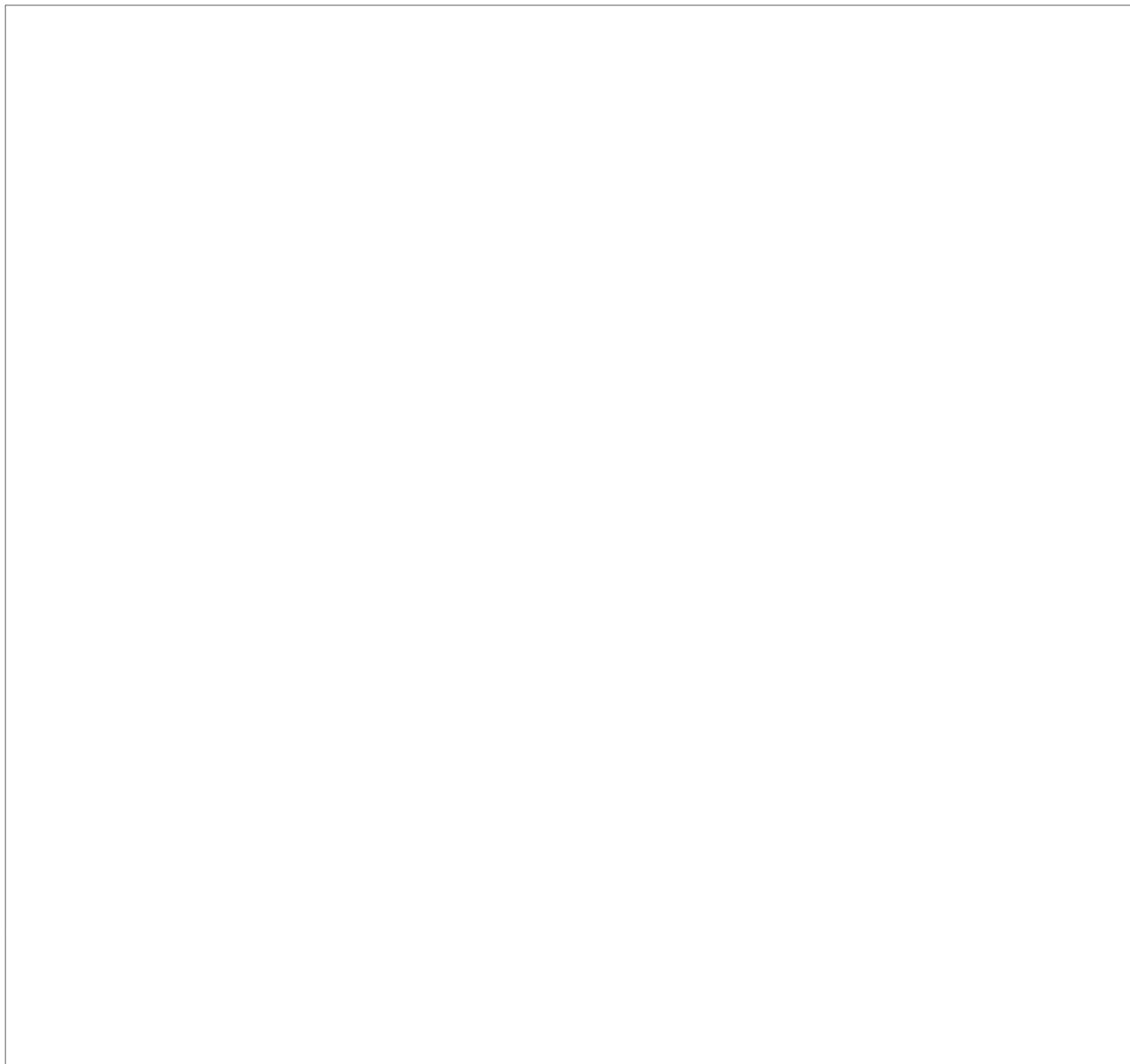
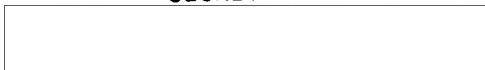
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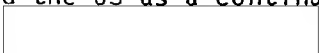
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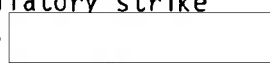
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If the US fails to respond to attacks by Iranian-sponsored groups, Iranian terrorism will continue and very likely grow. The US will not escape Iranian-sponsored attacks by inaction because Iran and its radical Shia allies regard the US as a continuing threat by its mere presence in the Middle East. 

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A limited or failed US strike against Iran would strengthen the position of radicals in Tehran who favor aggressive export of the revolution. They would argue that the ineffective nature of the US action demonstrates the US cannot counteract the forces of Islam. Given the power struggle now underway in Tehran, Iranian radicals might deliberately stage a terrorist attack in hopes of provoking US retaliation. Moreover, a single US retaliatory strike is unlikely to cause Iran to modify its behavior significantly. 

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Nonetheless, Iran has moderated its behavior in the past when confronted by heavy pressure. Tehran ended the hostage crisis, for example, when its leaders believed a more aggressive US administration had been elected. We believe a sustained campaign of US military and economic pressure against Iranian terrorism would eventually strengthen moderates within the Iranian regime who believe that violent export of the revolution does not serve Iranian interests. Alternatively, sustained US pressure could drive Iran toward the Soviet Union--at least temporarily--in search of protection. [REDACTED]

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Qadhafi would likely try to strike at US naval and air units near the Libyan coast and offer to assist Iranian terrorist operations against the US. He also could attempt to use supporters among the Libyan student population in the US to bomb US air terminals or federal buildings, as occurred in the UK last year, although their activities are closely monitored by the FBI. Qadhafi, however, is more cautious than the Iranians and may be more restrained in his response. [REDACTED]

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Both the Iranians and Libyans would be likely to use US retaliatory strikes to rally their domestic populations and to move closer to Moscow. Qadhafi is likely to offer Moscow greater access to Libyan ports and military facilities and to seek additional Soviet arms. The Iranians would seek arms from Moscow or Eastern Europe, particularly antiship and antiaircraft weapons. [REDACTED]

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US retaliation against Palestinian facilities would increase US vulnerability to attacks from groups that usually do not target US installations, such as the PFLP-GC, PSF, and the Fatah dissidents. The more moderate wing of Fatah would condemn the US but is not likely to resort to international terrorism if the US attacked Palestinian radicals. [REDACTED]

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#### Arab Reactions

Additional terrorist attacks without a commensurate US response are likely to strengthen a growing perception in the Arab world that the US is a paper tiger. The moderate Arabs--vulnerable to radical-sponsored terrorism themselves--would consider US unwillingness or inability to retaliate as a demonstration of declining US influence in the region. Moreover, these states view US inaction as contributing to the spread of terrorism that threatens their interests. Syria and Libya also would regard continued US inaction as indicating a lack of resolve to counter actions undermining US interests and, in the case of Libya, could embolden Tripoli into additional terrorist attacks. [REDACTED]

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Saudi Arabia, Egypt, and the smaller Gulf states probably would criticize strongly any US retaliatory strike against Syria or Palestinian elements but might only mildly criticize strikes against Libya and Iran. Only surgical US strikes against groups responsible for carrying out terrorist acts--such as the Hizballah in Lebanon--would enjoy the unqualified private support of the Gulf Arabs and Iraq. A general reluctance to support any US military action against an Arab or Muslim target, however, would inhibit a public endorsement of the US move. [REDACTED]

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US retaliation against Syria or Palestinians that resulted in civilian casualties or was viewed by most Arabs as excessive could prompt the Saudis and other Gulf Arabs to take demonstrable action against the US. Such actions could include scaling back military or economic cooperation at least temporarily and possibly even recalling ambassadors for consultations. Surgical retaliatory strikes against Libya or Iran probably would not adversely affect bilateral relations of individual Gulf Arab states and the US.

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-- NIO/NESA disagrees that the moderate Arab states would take any concrete action to diminish their ties with the US in the event of a retaliatory strike against Syria. The NIO believes they would limit themselves to routine expressions of Arab solidarity and condemnation of use of force by external actors. The reaction of Iraq and Egypt--both on poor or hostile terms with Syria--would be even more limited to pro forma statements, he believes.

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King Hussein would sympathize with a strike against terrorist bases in Lebanon but would associate himself with Arab protests. Hussein would oppose attacks on Palestinians because this could undermine his efforts to persuade Yasir Arafat to accept his approach to negotiating a settlement of the Arab-Israeli conflict.

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Concern about Arab criticism would temper Cairo's public approval of a US attack against Libya. Mubarak, nonetheless, would welcome Washington's move to "teach Qadhafi a lesson," which he himself has considered since the mining of the Red Sea last summer. A strike against Syria--and even pro-Syrian elements of the PLO--would disturb Egyptian leaders. Despite chilly Egyptian-Syrian relations, Mubarak believes Egypt's full readmission into Arab fora requires President Assad's cooperation. A US attack would make the Syrians even more determined to thwart Cairo's objective.

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Soviet Reaction. The Soviets would attempt to capitalize on the propaganda windfall provided by US retaliation. They would probably issue a vague warning against further attacks, seek to claim credit when US strikes ended, and use the attacks to undermine Arab willingness to grant US forces transit or base rights or to deal with the US on the Arab-Israeli dispute.

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In Libya, the USSR would try to exploit heightened concern about a US threat. The Soviets probably would offer increased intelligence support and greater aid for Libyan air and coastal defenses while implying that such efforts require greater Soviet access to Libyan military facilities. Moscow might be more willing to sell Qadhafi advanced air defense equipment and fighter aircraft.

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Moscow would hope a US strike would spur the PLO to reconcile its differences and hinder Arafat's pursuit of a joint peace effort with Jordan. The USSR might step up shipments of advanced weaponry to Syria in an effort to signal the Arab world and the US that Moscow solidly backs its primary Arab ally. The Soviets, however, are likely to continue avoiding a specific commitment to intervene militarily if Syria is threatened.

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The USSR would seek to use heightened US-Iranian tensions to make political inroads in Tehran. The Soviets might offer to provide air defense equipment and to strengthen Iran's coastal defense but would expect major political concessions in return. They would move cautiously because anything more than symbolic aid for Iran could jeopardize their stake in Iraq. Moscow thus would take this risk only if it calculated its political prospects in Iran were promising and would emphasize to Baghdad that it was acting solely in response to US actions and would not help Iran in its war with Iraq. [REDACTED]

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DDI/NESA/PG/I, [REDACTED] (15 Feb 85)

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